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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Quarter Ended March 31, 1992
Commission File Number 2-76016

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FIRST CONTINENTAL BANCSHARES, INC.

(Exact name of registrant as specified in its charter)

LOUISIANA	72-0928582
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
201 Huey P. Long Avenue, Gretna, LA	70053
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including Area Code: (504) 366-0211

Securities registered pursuant to Section 12(b) of the Act: None

Securities registered pursuant to Section 12(g) of the Act:

Common Stock, $1.00 Par Value
(Title of Class)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No ___

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding March 31, 1992
Common Stock ($1.00 par value)	2,128,096 shares

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FIRST CONTINENTAL BANCSHARES, INC.

FORM 10-Q

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FIRST CONTINENTAL BANCSHARES, INC.
CONSOLIDATED STATEMENTS OF CONDITION
(In Thousands)

	March 31, 1992 (Unaudited)	December 31, 1991
ASSETS		
Cash and Due from Banks	$ 17,544	$ 21,325
Interest-Bearing Deposits in Banks	-0-	-0-
Investment Securities:		
U. S. Treasury Securities and Obligations of U. S. Government Agencies	47,442	22,448
Mortgage-Backed Securities (guaranteed by government agencies and corporations)	45,967	68,022
State and Political Subdivisions	40	40
Federal Reserve Bank Stock and Other Securities	405	390
Total Investments (market value of approximately $95,286 in 1992 and $94,279 in 1991)	93,854	90,900
Federal Funds Sold	28,200	10,000
Loans	228,843	235,748
Less: Reserve for Possible Loan Losses	(7,526)	(7,147)
Net Loans	221,317	228,601
Bank Premises and Equipment	6,420	6,514
Accrued Interest Receivable	2,053	2,179
Other Real Estate and Foreclosed Property	32,326	32,928
Other Assets	1,656	786
Goodwill	4,317	4,523
TOTAL ASSETS	$407,687	$397,756
LIABILITIES		
Deposits:		
Interest-Free	$ 57,447	$ 54,854
Money Market	64,785	55,136
Savings & NOW	86,381	86,748
Time	160,956	163,354
Interest-Bearing Deposits from Affiliated Banks	413	621
Total Deposits	369,982	360,713
Short-Term Borrowings	6,546	6,860
Notes Payable	16,126	16,017
Mandatory Convertible Debentures	6,000	6,000
Senior Debenture	662	639
Accrued Interest Payable	5,756	5,619
Other Liabilities	3,503	2,812
TOTAL LIABILITIES	408,575	398,660
Minority Interest	4,054	3,937
COMMITMENTS AND CONTINGENCIES		
SHAREHOLDERS' EQUITY		
Preferred Stock - 500,000 shares authorized; 140,000 shares designated as Class A Cumulative Convertible Preferred Stock - par value $1 per share; 135,974 shares issued and outstanding	11,422	11,422
Common Stock - par value $1 per share, 5,000,000 shares authorized; 2,145,151 shares issued, of which 17,055 are held as treasury stock at March 31, 1992 and December 31, 1991	2,145	2,145
Surplus	2,741	2,741
Undivided Losses	(21,132)	(21,031)
Less: Treasury Stock	(118)	(118)
TOTAL SHAREHOLDERS' EQUITY (DEFICIT)	(4,942)	(4,841)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)	$407,687	$397,756

The accompanying notes are an integral part of these statements.

CONSOLIDATED STATEMENTS OF EARNINGS

(In Thousands Except Per Share Data)
(Unaudited)

	For the Three Months Ended March 31	
	1992	1991
INTEREST INCOME:		
Interest and fees on loans	$ 6,589	$ 6,718
Interest on investments:		
United States Government & Agencies	894	200
Mortgage-backed securities	875	1,159
State and political subdivisions	1	2
Interest on federal funds sold & other	185	255
Total interest income	8,544	8,334
INTEREST EXPENSE:		
Interest on deposits:		
Money Market	512	726
Savings and NOW	723	873
Time	2,233	3,183
Interest on short-term borrowings	70	197
Interest on note payable and debentures	357	308
Total interest expense	3,895	5,287
NET INTEREST INCOME	4,649	3,047
PROVISION FOR POSSIBLE LOAN LOSSES	852	700
NET INTEREST INCOME AFTER PROVISION FOR POSSIBLE LOAN LOSSES	3,797	2,347
OTHER INCOME:		
Service charges on deposit accounts	658	644
Other charges, commissions and fees	437	400
Other operating income	375	86
Security gains (losses)	-0-	(1)
Total other income	1,470	1,129
OTHER EXPENSES:		
Salaries and employee benefits	1,761	1,652
Net occupancy expense	383	428
Other real estate expenses	1,696	451
Other operating expenses	1,412	1,165
Total other expenses	5,252	3,696
INCOME (LOSS) BEFORE MINORITY INTERESTS	15	(220)
Less: Minority interest	116	(61)
NET (LOSS)	(101)	(281)
PREFERRED STOCK DIVIDENDS AND ACCRUED INTEREST	(486)	(511)
NET LOSS APPLICABLE TO COMMON STOCK	$ (587)	$ (792)
Earnings Per Share:		
Net (loss)	$ (.05)	$ (.13)
Preferred stock dividends and accrued interest	(.23)	(.24)
Net (loss) applicable to common stock	$ (.28)	$ (.37)

The accompanying notes are an integral part of this statement.

FIRST CONTINENTAL BANCSHARES, INC.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

For the Years Ended December 31, 1991, 1990, 1989 and
For the Quarter Ended March 31, 1992

(In Thousands)

	Class A Cumulative Preferred Stock		Common Stock		Surplus	Treasury Stock		Undivided Profits
	Shares	Amount	Shares	Amount	Amount	Shares	Amount	(Losses)
BALANCE, DECEMBER 31, 1988..	135,974	$11,422	2,145,151	$2,145	$2,741	(17,055)	$(118)	$(7,536)
Net Loss - 1989....	-0-	-0-	-0-	-0-	-0-	-0-	-0-	(2,909)
BALANCE, DECEMBER 31, 1989..	135,974	11,422	2,145,151	2,145	2,741	(17,055)	(118)	(10,445)
Net Loss - 1990 (As Restated)....	-0-	-0-	-0-	-0-	-0-	-0-	-0-	(9,747)
BALANCE, DECEMBER 31, 1990 (AS RESTATED)....	135,974	11,422	2,145,151	2,145	2,741	(17,055)	(118)	(20,192)
Net Loss - 1991....	-0-	-0-	-0-	-0-	-0-	-0-	-0-	(839)
BALANCE, DECEMBER 31, 1991..	135,974	11,422	2,145,151	2,145	2,741	(17,055)	(118)	(21,031)
Net Loss - 3/31/92.	-0-	-0-	-0-	-0-	-0-	-0-	-0-	(101)
BALANCE, MARCH 31, 1992.....	135,974	11,422	2,145,151	2,145	2,741	(17,055)	(118)	(21,132)

FIRST CONTINENTAL BANCSHARES, INC.
CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE THREE MONTHS ENDED MARCH 31, 1992
(Unaudited)

(In Thousands)	March 31, 1992
OPERATING ACTIVITIES:	
Net income (loss)	$ (101)
Minority interest	116
Adjustments to reconcile net income (loss) to net cash provided by operating activities:	
Provision for possible loan losses	852
Provision for other real estate losses and write-down to market value.	1,379
Depreciation	143
Provision for (recovery of) litigation loss	-0-
Amortization of purchase adjustments	206
Amortization (accretion) of security premium and discount	(64)
Accretion of senior debentures and note payable	132
(Gain) loss on sale of investments	-0-
(Gain) loss on sale of other real estate	(5)
Decrease (increase) in accrued interest receivable	126
Increase (decrease) in accrued interest payable	137
Increase (decrease) in other liabilities	691
Net change in other assets	(870)
Net cash provided by operating activities	2,742
INVESTING ACTIVITIES:	
Proceeds from sales of investment securities	-0-
Proceeds from maturities and calls of investment securities	7,225
Purchases of investment securities	(10,243)
Net change in loan portfolio	4,307
Net change in Federal Funds sold	(18,200)
Proceeds from sale of other real estate owned	1,482
Net purchase of premises and equipment	(49)
Net cash provided by (used in) investing activities	(15,478)
FINANCING ACTIVITIES:	
Net increase (decrease) in interest-free, money market, savings and NOW deposits	11,875
Net increase (decrease) in certificates of deposit	(2,608)
Net decrease in short-term borrowings	(314)
Net cash provided by (used in) financing activities	8,955
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(3,781)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	21,325
CASH AND CASH EQUIVALENTS AT MARCH 31, 1992	$17,544

The accompanying notes are an integral part of these statements.

FIRST CONTINENTAL BANCSHARES, INC.
CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE THREE MONTHS ENDED MARCH 31, 1991
(Unaudited)

(In Thousands)	March 31, 1991
OPERATING ACTIVITIES:	
Net income (loss)	$ (281)
Minority interest	61
Adjustments to reconcile net income (loss) to net cash provided by operating activities:	
Provision for possible loan losses	700
Provision for other real estate losses and write-down to market value	185
Depreciation	197
Amortization of purchase adjustments	225
Amortization (accretion) of security premium and discount	(129)
Accretion of senior debentures	87
Loss on sale of investments	1
(Gain) Loss on sale of other real estate	(1)
Decrease (increase) in accrued interest receivable	596
Increase (decrease) in accrued interest payable	(1,147)
Increase (decrease) in other liabilities	(361)
Net change in other assets	(558)
Net cash provided by operating activities	(425)
INVESTING ACTIVITIES:	
Proceeds from sales of investment securities	9,239
Proceeds from maturities and calls of investment securities	825
Purchases of investment securities	(1,748)
Net change in loan portfolio	7,344
Net change in Federal Funds sold	(12,393)
Proceeds from sale of other real estate owned	182
Purchase of premises and equipment	(17)
Net cash provided by investing activities	3,432
FINANCING ACTIVITIES:	
Net decrease in interest-free, money market, savings and NOW deposits	(568)
Net increase (decrease) in certificates of deposit	(12,427)
Net increase (decrease) in short-term borrowings	599
Net cash used in financing activities	(12,396)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(9,389)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	22,648
CASH AND CASH EQUIVALENTS AT MARCH 31	$13,259

The accompanying notes are an integral part of these statements.

FIRST CONTINENTAL BANCSHARES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Reference is made to Note 2 to the consolidated financial statements included in First Continental Bancshares, Inc., Securities and Exchange Commission filing on Form 10-K dated March 26, 1992 for a summary of significant accounting policies.

2. In the opinion of management, the accompanying unaudited consolidated financial statements contain all adjustments necessary to present fairly First Continental Bancshares' financial position as of March 31, 1992 and December 31, 1991, the results of operations for the three-month periods ended March 31, 1992 and 1991, the consolidated statements of changes in shareholders' equity for the years ended December 31, 1991, 1990, 1989 and for the period ended March 31, 1992, and the cash flow for the three-month periods ended March 31, 1992 and 1991, respectively.

3. First Continental Bancshares, Inc. ("the Company"), was incorporated under the laws of the State of Louisiana on November 4, 1981, for the purpose of serving as a bank holding company. On June 30, 1982, the Company acquired 100% of the stock of Continental Bank ("Continental"), Harvey, Louisiana, in exchange for 2,009,250 shares of common stock, and 100% of the stock of First National Bank of Jefferson Parish ("FNJ") for a combination of cash, Class A Cumulative Convertible Preferred stock and common stock. Continental was simultaneously merged into FNJ. As a result, the acquisition of Continental was recorded utilizing the pooling of interest method of accounting while the acquisition of FNJ was recorded utilizing purchase accounting. The results of operations for the three months ended March 31, 1992 are not necessarily indicative of the results to be expected for the full year.

4. Reference is made to Note 1 to the consolidated financial statements included in First Continental Bancshares, Inc. Securities and Exchange Commission filing on Form 10-K dated March 26, 1992 for the discussion labeled "Liquidity and Capital Resources" regarding the transaction pursuant to which 19.9% of the ownership of First National Bank of Jefferson Parish by First Continental was delivered to Collecting Bank, N.A., a special purpose bank created by First City, Texas - Houston, National Association, as partial consideration for the settlement of debt.

5. Earnings per share is computed by dividing net income (loss) less preferred stock dividends and accumulated interest on cumulative unpaid dividends by the weighted average number of shares of common stock outstanding during the period. The Preferred Stock and mandatory convertible subordinated debentures are not common stock equivalents and the effect of assuming their conversion in computing fully diluted earnings per share was determined to be anti-dilutive. The warrant outstanding at the Bank level, if converted to common stock, was determined to be anti-dilutive at March 31, 1992.

FIRST CONTINENTAL BANCSHARES, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE
CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION AND EARNINGS

(Unaudited)

FINANCIAL CONDITION

LIQUIDITY AND CAPITAL RESOURCES

As disclosed in previous filings of the Company, (i) the Company has transferred to Collecting Bank, N.A. ("Collecting Bank") 62,685 shares of FNJ common stock (the "Transferred Bank Stock"), (ii) FNJ has issued to Collecting Bank a warrant to acquire an additional 52% of the outstanding FNJ common stock, with FNJ having the right to defer Collecting Bank's exercise of the warrant by making certain "exercise deferral payments" and (iii) the Company issued to Collecting Bank a Senior Debenture in the principal amount of $2 million, which bears interest at the rate of 7% per annum until March 31, 1995 and at the rate of 10% per annum thereafter. The Senior Debenture has no maturity date and is redeemable at the option of the Company within five years of its issuance for $1 million. The transfer of the FNJ common stock and the issuance of the warrant and the Senior Debenture were undertaken in connection with the forgiveness of the Company's indebtedness to First City, Texas - Houston, National Association ("First City"), a national bank that is affiliated with Collecting Bank. The transactions pursuant to which these interests were transferred to Collecting Bank is hereinafter referred to as the "Restructuring."

The first of the exercise deferral payments on the warrant, which is in the amount of $862,000 was due on March 1, 1992 and as of this report date has not been paid. Thereafter, annual payments of $500,000 are required for each succeeding year through 1995, and annual payments of $1,168,000 are required through 1998, to defer the exercise of the warrant. If the Bank fails to make an exercise deferral payment within one hundred fifty (150) days from the date such payment was due, (in the case of the first exercise deferral payment, by July 28, 1992), Collecting Bank has the right to exercise its warrant and acquire an additional 52% of the Bank stock. In such event, the Company would own the remaining 28% of the Bank common stock on a fully-diluted basis. If the Company were to subsequently liquidate the remaining 28% of the Bank common stock, the Company's $6 million in subordinated debt and $11.4 million liquidation preference on its outstanding preferred stock would consume any cash generated in the liquidation and the value of the Company common stock would be virtually worthless. In order for the Bank to have the necessary resources to make the exercise deferral payment that is due by July 28, 1992, either a dividend payment must be approved by the Office of the Comptroller of the Currency (OCC), the Federal Reserve and the Bank's Board of Directors or the Company must raise the cash through a capital infusion or debt. The Company is pursuing several options to sell debt, equity, or a combination thereof to raise funds to repurchase these instruments. There is no guarantee that the required approvals for the dividend payment will be granted or that the Company will be able to raise capital or incur debt in the required amounts.

For a complete discussion of the Restructuring, including a discussion of the accounting treatment thereof, please refer to 1991 Form 10-K, dated March 26, 1992, Item 7: "Management's Discussion and Analysis of Financial Condition and Results of Operations".

REGULATORY ISSUES AND CAPITAL

Certain Regulatory Developments - The Company. In December 1991 the Federal Reserve Board (the "Board") conducted an examination of the Company and the Bank. In its report the Board notes that the Company has a severe capital problem, and as a result has indicated that if the Company's consolidated capital is not raised to a satisfactory level by June 30, 1992, the Board will consider formal enforcement action to address this problem.

During the first quarter of 1992 the Company has continued with its plan to resolve the concerns identified by the Board through continued efforts to restructure its indebtedness to Collecting Bank and to improve its capital position through earnings and/or capital infusion.

Certain Regulatory Developments - The Bank. For a complete discussion of the concerns identified by the Board and of a no debt/no dividend letter issued by the Board on June 11, 1986, please refer to the 1991 Form 10-K, dated March 26, 1992, Item 7: "Management's Discussion and Analysis of Financial Conditions and Results of Operations - Certain Regulatory Developments - The Company".

In January 1992, the Bank agreed to an amendment to a previously executed Formal Agreement with the OCC, which imposed additional commitments on the Bank. First, the Bank was required either (i) to achieve by March 1, 1992 (and thereafter maintain) Tier 1 capital at least equal to five and one-half percent (5.5%) of risk weighted assets and Tier 1 capital at least equal to five percent (5.0%) of average adjusted total assets, or (ii) to submit a capital plan approved by the Deputy Comptroller agreeing to maintain capital at the levels specified in that capital plan. The amendment further requires the Board of the Bank to develop a three-year capital program that includes specific plans for the maintenance of adequate capital, projections for growth and capital requirements, projections of the sources and timing of additional capital to meet the Bank's needs and a dividend policy. Once approved by the District Administrator, the Bank must implement and adhere to the capital program. The Bank also committed that by February 9, 1992, it would rescind the previously discussed June 29, 1990 Settlement Agreement and Supplemental Settlement Agreement ("Agreements") with Collecting Bank and reverse the September 4, 1990 warrant issued to Collecting Bank pursuant to the Agreements. The amendment further stipulates that if the Bank is unable to rescind the Agreements, the Board must document its efforts to achieve such a rescission and explain, in writing, why these efforts were unsuccessful. In such event, the Board was required to develop an alternative plan to eliminate the Bank's liability to Collecting Bank under the Agreements including, but not limited to, the sale of the Bank.

The Bank submitted its three-year capital program and its alternative plan to eliminate the Bank's liability to Collecting Bank under the Agreements to the District Administrator of the OCC in early March 1992 and is awaiting the District Administrator's response. The Bank has also documented its efforts to restructure the warrant issue with Collecting Bank. (For a complete discussion of the proposed plan see Form 10-K December 1991, dated March 26, 1992, Item 7: "Management's Discussion and Analysis of Financial Condition and Results of Operations".)

The Bank is substantially in compliance with the requirements of the Formal Agreement and Amended Formal Agreement as signed, however, there is no guarantee at this time that the OCC will accept the alternative capital ratios specified in the three-year capital program and the alternative plan as presented to eliminate the Bank's liability to collecting Bank under the Agreements. If the OCC does not accept the Bank's alternative capital ratios or its plans regarding the liability to Collecting Bank, the Bank may be deemed to be in violation of the Amended Formal Agreement, as amended. Continued violation of the Agreement could result in the issuance of a cease and desist order by the OCC, removal of the Bank's officers and directors, the imposition of civil monetary penalties and termination of FDIC insurance.

General. As reported in previous Annual Report and quarterly filings, the Company has $6 million 12% Mandatory Convertible Debentures outstanding, for which interest has not been paid since May 15, 1988 and $11.422 million of Class A Preferred Stock outstanding, upon which the Company has not paid dividends since the last quarter of 1986. For a complete discussion on these two items please refer to 1991 Form 10-K, dated March 26, 1992, Item 7: "Managements Discussion and Analysis of Financial Condition and Results of Operations" and to the notes to the audited financial statements contained herein.

Effective December 31, 1990, the Company and the Bank were subject to new regulatory risk-based capital guidelines. In the risk-based capital computation, all assets are weighted based upon assigned risk factors, and certain off-balance sheet items are included, such as loan commitments and standby letters of credit. Capital is separated into two categories, Tier 1 and Tier 2, which combine for Total Capital. Tier 1 consists of common stockholders' equity, perpetual preferred stock and minority interest. Tier 2 capital consists of the allowance for loan losses and subordinated debt, subject to certain limitations. The guidelines provide for a transition period which became effective December 31, 1990 and requires Total Capital of 7.25 percent of risk weighted assets, half of which must be Tier 1. By year-end 1992, Total Capital must be 8 percent, half of which must be Tier 1 capital.

In conjunction with the risk-based capital guidelines, the regulators have also issued capital leverage guidelines. The leverage ratio consists of Tier 1 capital as a percent of average total assets. The minimum leverage ratio for all banks and bank holding companies is 3 percent, with a higher leverage ratio generally required for all but the healthiest of banks or bank holding companies.

The Company's and the Bank's capital ratios, which were not in compliance with regulatory requirements, were as follows at March 31, 1992 and December 31, 1991, respectively (dollar amounts in thousands):

March 1992*

	---COMPANY---				
	Regulatory		Actual		(Shortfall) Overage
Ratios	%	$	%	$	$
Tier 1	3.625	9,824	(4.540)	(12,310)	(22,134)
Total	7.250	19,649	(4.540)	(12,310)	(31,959)
Leverage	3.000	11,952	(3.090)	(12,310)	(24,262)

	----BANK----				
	Regulatory		Actual		(Shortfall) Overage
Ratios	%	$	%	$	$
Tier 1	3.625	9,809	4.960	13,421	3,612
Total	7.250	19,617	9.047	24,479	4,862
Leverage	3.000	11,989	3.358	13,421	1,482

	Regulatory Formal Agreement Guidelines		Actual		(Shortfall) Overage
Ratios	%	$	%	$	$
Tier 1	5.500	14,882	4.960	13,421	(1,461)
Leverage	5.000	19,982	3.358	13,421	(6,561)

December 1991*

	---COMPANY---				
	Regulatory		Actual		(Shortfall) Overage
Ratios	%	$	%	$	$
Tier 1	3.625	9,883	(4.520)	(12,326)	(22,209)
Total	7.250	19,766	(4.520)	(12,326)	(32,092)
Leverage	3.000	11,808	(3.130)	(12,326)	(24,134)

	----BANK----				
	Regulatory		Actual		(Shortfall) Overage
Ratios	%	$	%	$	$
Tier 1	3.625	9,869	4.831	13,153	3,284
Total	7.250	19,739	8.780	23,914	4,175
Leverage	3.000	11,686	3.377	13,153	1,467

* The ratios presented reflect the warrant issued to Collecting Bank and accretion on the Senior Debenture as components of Total Capital only.

The table above compares the actual capital position of the Company and the Bank to the minimum regulatory capital ratios. However, these minimum regulatory ratios are applicable only to the most sound banks and bank holding companies. The current condition of the Company and the Bank call for the maintenance of capital at higher levels than those set forth above, and pursuant to the agreement between the Bank and the OCC described above, the Bank has been asked to achieve Tier 1 capital of at least 5.5% of risk-weighed assets and a leverage ratio of at least 5.0%.

The tables clearly disclose that the Company does not have regulatory capital in significant amounts. The failure by the Company to maintain capital at adequate levels could result in the denial, conditioning or revocation of applications filed with the Federal Reserve Board, the issuance of a capital directive by the Federal Reserve Board, the seeking and obtaining of a cease and desist order, and the assessment of civil monetary penalties against the Company and its officers and directors.

At the time the warrant issued to Collecting Bank was recorded on the Bank's balance sheet, approximately $5.1 million was shifted from retained earnings to the carrying value of the warrant. If the warrant is cancelled, the capital would flow back into retained earnings, thus restoring the capital accounts of the Bank to their position prior to the delivery of the warrant to Collecting Bank. Assuming that the warrant matter is satisfactorily resolved, management believes that the Bank's capital will be at levels such that any capital directive imposed on the Bank by the OCC could be reasonably attained by the Bank; however, there is no assurance that the warrant matter will be satisfactorily resolved.

RESULTS OF OPERATIONS

The following is Management's discussion and analysis of certain significant factors which have affected First Continental Bancshares' earnings during the three-month periods ending March 31, 1992 and 1991.

	Three Months Ending March 31, 1992	Three Months Ending March 31, 1991	Dollar Change	%
Interest & Fees on Loans	$ 6,589	$ 6,718	$ (129)	(1.9)
Interest on Investment Securities	1,770	1,361	409	30.0
Other	185	255	(70)	(27.5)
Total Interest Income	8,544	8,334	210	2.5
Interest on Deposits	3,468	4,782	(1,314)	(27.5)
Interest on Short-Term Borrowings	70	197	(127)	(64.5)
Interest on Debt	357	308	49	15.9
Total Interest Expense	3,895	5,287	(1,392)	(26.3)
Net Interest Income	4,649	3,047	1,602	52.6
Provision for Loan Losses	852	700	152	21.7
Other Non-Interest Income	1,470	1,129	341	30.2
Other Non-Interest Expense	5,252	3,696	1,556	42.1
Net Income/(Loss) Before Minority Interest	15	(220)	235	106.8
Less: Minority Interest	116	(61)	55	90.2
Net Income (Loss)	$ (101)	$ (281)	$ 180	64.1

INTEREST INCOME AND EXPENSE

Interest income increased $210,000 for the three months ended March 31, 1992 as compared to the same period in 1991.

As the table below indicates, the most significant items responsible for this modest increase were interest received on U. S. agency instruments and on other loans, offset by a decrease in interest on commercial loans.

(000's)	March 1992 YTD	March 1991 YTD	--Variance-- Amount	%
Interest on Fed Fund Sold	$ 180	$ 240	$ (60)	(25)
Other Short-Term Investments	-0-	3	(3)	(100)
Interest on U. S. Treasuries	198	200	(2)	(1)
Interest on U. S. Agencies	1,571	1,159	412	36
Other Securities Interest	5	13	(8)	(62)
Interest on Loans:				
Commercial	3,343	3,930	(587)	(15)
Installment	2,438	2,482	(44)	(2)
Other	664	253	411	162
Less: Int. Reversed N/A Loans	(86)	(126)	40	(32)
Fees on Loans	231	180	51	28
Total Interest Income	$8,544	$8,334	$ 210	3

The increase in interest income of $210,000 for the two comparable three-month periods ended March 31, 1992 and 1991, respectively, reflects (i) a decline in the average rate earned on Fed Funds Sold from 5.82% in 1991 to 3.99% in 1992, a 31% reduction, and (ii) an increase in the investment portfolio income of $402,000, as the year-to-date average balances within the investment portfolio increased from $62,938,000 in 1991 to $93,659,000 in 1992. The composition and related yields for the two comparable periods were as follows:

	--1st Quarter 1992-- Average Balance	Yield	--1st Quarter 1991-- Average Balance	Yield
Investment Securities:				
U. S. Treasury Securities	$13,541	5.86%	$11,415	7.09%
U. S. Government Agencies	78,688	7.90%	51,082	9.08%
State and Municipal Bonds	40	9.28%	80	9.38%
Federal Reserve Stock	323	5.81%	361	5.44%
Other Taxable Securities	1,067	5.70%	0	0.00%
Total Investment Securities	$93,659	7.60%	$62,938	8.84%

The increase in the average balances of the investment portfolio in 1992 reflects the combined efforts of continuing weak loan demand and an increase in the volume of deposits, substantially all of which were invested in investment securities.

The decline in interest income attributable to commercial loans of $587,000 was the result of a decline in the year-to-date average balance of loans outstanding from $142,119,000 in 1991 to $133,281,000 in 1992, a decline of $8,838,000 or 6.2%. This decline reflects increased payoffs within the portfolio, the transfer of loans to non-accrual status, and an ongoing weak loan demand. The average yield on commercial loans also declined, from 11.38% in 1991, to 10.33% in 1992; the result of the continued downward trend in rates affecting those loans that mature and are refinanced, and those variable rate loans that are adjusted to various rate indices.

The increase in "Other" interest on loans of $411,000 was attributable to interest collected on non-accrual loans; specifically one large credit which resulted in a collection of $413,704 during the first quarter of 1992.

Total interest expense declined by $1,392,000 for the comparable three-month periods ended March 31, 1992 and 1991, respectively. The specific components and related average balances and yield calculations were:

	----Year-To-Date 1992----			----Year-To-Date 1991----		
(000's)	Interest Expense	Average Balance	Yield	Interest Expense	Average Balance	Yield
Interest on Deposits:						
NOW & Super NOW	$ 352	$ 46,756	3.03%	$ 470	$ 41,031	4.60%
Savings Deposits:						
Regular Savings	371	39,867	3.73%	403	31,274	5.23%
Money Market Savings	232	29,074	3.21%	354	26,839	5.35%
Premium Savings	280	31,730	3.54%	372	26,920	5.61%
Total Savings	883	100,671	3.52%	1,129	85,033	5.39%
Certificates of Deposit	2,233	167,470	5.36%	3,183	167,984	7.62%
Short-Term Borrowings	70	7,890	3.56%	197	12,133	6.53%
Subtotal	3,538	322,787	4.41%	4,979	306,181	6.54%
Note Payable & Debenture	357	16,696	8.60%	308	16,341	7.58%
Total	$3,895	$339,483	4.61%	$5,287	$322,522	6.59%

Per the table above, the "Subtotal" line indicates the reason for the decline in interest expense for the two comparable periods. The decline in interest rates, both on a national scale and at the Bank level locally, has resulted in a very favorable impact on the net interest margin of the Bank. Management has been aggressive with the pricing structure within the local market so as to enhance margin whenever possible.

INTEREST RATE SENSITIVITY

Management continuously reviews the Company's exposure to changes in interest rates. Among the factors considered during its evaluations are changes in the mix of earning assets, growth of earning assets, interest rate spreads and repricing periods. Management forecasts and models the impact various interest rate fluctuations would have on net interest income. One such model measures the interest rate sensitivity gap which presents, at a particular point in time, the matching of interest rates sensitive assets with interest rate sensitive liabilities.

By Repricing Dates at March 31, 1992:

(Dollars in Thousands)	0-30 Days	31-90 Days	91-180 Days	181-365 Days	> 1 Year	Non-Int Bearing	Total
Assets							
Investment Securities	$ 12,687	$ 2,686	$ 3,003	$ 3,002	$ 72,153	$ -	$ 93,531
Loans	51,326	14,052	17,731	31,033	107,175	-	221,317
Money Market Assets	28,200	-	-	-	323	-	28,523
Other Assets	-	-	-	-	-	64,316	64,316
Total Assets	$ 92,213	$ 16,738	$ 20,734	$ 34,035	$179,651	$ 64,316	$407,687
Sources of Funds							
Premium Savings/NOW	$ 78,268	$ -	$ -	$ -	$ -	$ -	$ 78,268
Money Market Savings	31,343	-	-	-	-	-	31,343
CD's < $100,000	14,092	19,557	37,027	21,609	26,796	-	119,081
CD's > $100,000	3,728	2,003	3,021	2,000	600	-	11,352
Public Funds	2,087	101	812	1,324	-	-	4,324
IRA's	1,806	3,613	4,307	5,217	11,669	-	26,612
Regular Savings	-	-	-	-	41,555	-	41,555
Short-Term Borrowings	6,546	-	-	-	-	-	6,546
Long-Term Debt	-	-	-	-	22,788	-	22,788
Non-Interest Bearing Deposits	-	-	-	-	-	57,447	57,447
Other Liabilities	-	-	-	-	-	13,313	13,313
Stockholders' Equity	-	-	-	-	-	(4,942)	(4,942)
Total Sources of Funds	$137,870	$ 25,274	$ 45,167	$ 30,150	$103,408	$ 65,818	$407,687
GAP	$(45,657)	$ (8,536)	$(24,433)	$ 3,885	$ 76,243	$ (1,502)	$ -
Cumulative GAP	$ -	$(54,193)	$(78,626)	$(74,741)	$ 1,502	$ -	$ -
Cumulative GAP as a Percent of Total Assets	(11.2%)	(13.3%)	(19.3%)	(18.3%)	-	-	-

PROVISION FOR LOAN LOSSES

Per the schedule below, the analysis of the loan loss reserve for the last nine quarterly periods was as follows:

	3/31/92	12/31/91	9/30/91	6/30/91	3/31/91	12/31/90	9/30/90	6/30/90	3/31/90
Beginning Balance	$7,147	$7,158	$6,970	$7,371	$9,016	$9,031	$8,750	$8,898	$9,251
Charge-Offs:									
Comm, Fin & Agric	(399)	(145)	(48)	(188)	(294)	(197)	(100)	(31)	(154)
R/E - Comm	-0-	(238)	(136)	(353)	(1,539)	(160)	(48)	(815)	(187)
R/E - Residential	(80)	-0-	(80)	(304)	(623)	(129)	(30)	(65C)	(123)
Installment & Other	(197)	(159)	(199)	(236)	(276)	(221)	(184)	(863)	(780)
Total Charge-Offs	(676)	(542)	(461)	(1,081)	(2,734)	(707)	(350)	(2,359)	(1,244)
Recoveries:									
Comm, Fin & Agric	85	139	43	52	309	138	127	281	70
R/E - Comm	-0-	-0-	4	-0-	-0-	50	31	58	161
R/E - Residential	87	183	108	151	46	39	25	47	128
Installment & Other	31	29	44	27	34	50	28	11	70
Total Recoveries	203	331	199	230	389	277	211	397	429
Net Charge-Offs	(473)	(211)	(262)	(851)	(2,345)	(430)	(139)	(1,962)	(815)
Provision Charged to Expense	852	200	450	450	700	415	420	1,814	457
Balance at Qtr-End	$7,526	$7,147	$7,158	$6,970	$7,371	$9,016	$9,031	$8,750	$8,898
Average Total Loans	231,432	247,487	251,941	256,740	255,488	267,243	267,943	272,423	275,439
Ratio of Net Charge-Offs to Average Loans Outstanding	.20%	.09%	.10%	0.33%	0.92%	0.16%	0.05%	0.72%	0.29%

The provision charged to expense amount of $852,000 for the quarter ending March 31, 1992, which was larger than any of the previous years' quarterly provisions, was largely the result of the replenishment of the reverse after a large charge-off during the quarter of one specific credit for $377,000. (See Form 10-K, December 1991, dated March 26, 1992, Item 3: Legal Proceedings, for additional information.)

In 1991 four specific credits having an aggregate principal balance of $2.1 million deteriorated in the first quarter. Although formerly identified as problem loans for which specific reserves aggregating $303,000 had been established, charge-offs of $772,000 in excess of amounts reserved against such loans proved to be necessary when the Bank received updated independent appraisals of the underlying collateral. Notwithstanding the charge-offs, the loan loss reserve was still considered by management to be adequate to cover other possible losses inherent in the entire loan portfolio. However, management believed it prudent to increase the provision by $250,000 in the first quarter of 1991 compared to the first quarter of 1990 to partially replenish the loan loss reserve following the additional charge-offs of the four credits.

The provision of $450,000 taken during the second quarter of 1991 was $250,000 less than the first quarter because the provision taken in the first quarter had replenished the reserve to a satisfactory level after charge-offs of those four credits, and no significant new problem credits surfaced in the second quarter. In addition, approximately $875,000 that had been previously reserved against specific credits was transferred to the general unallocated loan loss reserve following the better than expected resolution of two problem credits.

The provision taken during the second half of 1991 of $650,000 was deemed adequate by management based upon an analysis of the portfolio by its internal loan review staff.

Management analyzes the adequacy of the loan loss reserve portfolio at least quarterly and makes provisions to the reserve in accordance with the guidelines of OCC Circular #201. In accordance with this circular, management assigns specific reserves to significant problem loans. In addition, other factors such as concentrations of credit, historical loss experience, portfolio volume, maturity and composition, trends in delinquencies and non-accruals, changes in lending policies and procedures, economic conditions, and any changes to portfolio management and support staff, are evaluated in determining an adequate overall provision for loan losses as well as the adequacy of the loan loss reserve.

Non-Performing Assets	Dec 1990	Mar 1991	Jun 1991	Sep 1991	Dec 1991	Mar 1992
Non-Accrual Loans	$13,188	$ 8,881	$ 6,722	$ 6,676	$ 6,526	$ 6,030
Other Real Estate Owned (net)	32,407	34,548	34,682	33,876	32,336	32,326
Other Assets Repossessed	272	591	516	568	592	514
Restructured Troubled Debt	1,666	1,659	1,299	542	731	730
Past Due 90 Days, Still Accruing	4,536	2,248	1,148	1,180	2,194	787
Total	$52,069	$47,927	$44,367	$42,842	$42,379	$40,387

Per the table above, non-performing assets declined by $7,540,000 or 15.7% for the two comparable quarter ending periods March 31, 1992 and 1991, respectively. The decline in this area is the result of a concerted effort by management to reduce, work out and/or sell non-performing assets.

NON-INTEREST INCOME

Non-interest income increased by $341,000 or 30.2% for the two comparable three-month periods ended March 31, 1992 and 1991, respectively. The major categories of non-interest income and their related variances were:

(000's)	March 1992	March 1991	--Variance--	
Non-Interest Income	YTD	YTD	Amount	%
Service Charges on Accounts	$ 425	$ 387	$ 38	10
Net Overdraft, NSF Fees	233	257	(24)	(9)
Credit Card Income	39	35	4	11
Trust Income	149	130	19	15
Human Resource, Audit and Accounting Fees	41	51	(10)	(20)
Other Income	180	191	(11)	(6)
Miscellaneous Income	403	79	324	410
Security Gains (Losses)	0	(1)	1	100
Total Non-Interest Income	$1,470	$1,129	$ 341	30

Service charges on accounts increased by 10%, the result of programs established by management to enhance and generate collectible charges for services performed. The increase in Trust Income was the result of increased activity in that area along with a competitive pricing strategy. The decline in Human Resource, Audit and Accounting fees of $10,000 or 20% for the two comparable periods was the result of a decrease in services performed for third parties (i.e., other banks) in 1992 as compared to 1991. The increase in Miscellaneous Income of $324,000 or 410% was largely the result of a reversal of previously accrued legal fees totalling $343,000 relating to certain litigation that settled during 1991.

NON-INTEREST EXPENSE

Non-interest expense increased by $1,556,000, or 42.1%, for the comparable three-month periods ended March 31, 1992 and 1991, respectively. Expenses relating to these comparable periods and their related variances were:

(000's)	March 1992 YTD	March 1991 YTD	--Variance-- Amount	%
Salaries/Benefits	$ 1,761	$ 1,652	$ 109	6.6
Occupancy & Equipment	383	428	(45)	(10.5)
Legal and Professional Fees	266	194	72	37.1
Data Processing Fees	195	160	35	21.9
Advertising	42	19	23	121.1
FDIC Fees	201	171	30	17.5
Other Real Estate Expenses (Net of Income)	1,695	451	1,244	275.8
Other	709	621	88	14.2
Total Non-Interest Expense	$ 5,252	$ 3,696	$1,556	42.1

Salaries and employee benefits increased by $109,000, or 6.6%, primarily due to a decrease in salary reimbursements from a related bank for whom services performed have been discontinued and an increase in accrued employee benefits.

Occupancy and equipment expense decreased by $45,000, or 10.5%, due to decreased depreciation expense as bank owned assets became fully depreciated.

Legal and professional fees increased by $72,000, or 37.1%, due to increases in legal fees of $75,000 relating to the Ocean Energy settlement, (see Form 10-K, December 1991, dated March 26, 1992, Item 3: Legal Proceedings, for additional information), CPA fees of $17,000 relating to restatement of prior period regulatory reports, and Directors fees of $7,000. These were offset by an $18,000 decrease in management fees. FDIC insurance premiums paid by the Bank increased when compared to the same quarter last year by $30,000 or 17.5%, due to continuing upward pressure on FDIC fees.

Other real estate expenses, net of income, consisted of the following:

(000's)	March 1992 YTD	March 1991 YTD	--Variance-- Amount	%
Appraisal Fees	$ 34	$ 35	$ (1)	(2.9)
Legal	236	168	68	40.5
Maintenance, Insurance & Taxes	566	529	37	7.0
Provision for Write-Downs	1,379	185	1,194	645.4
OREO Income	(514)	(466)	(48)	10.3
Gain on Sale of ORE	(5)	-0-	(5)	-0-
Total	$1,696	$ 451	$1,245	276.1

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OREO RESERVE ANALYSIS

	3/91	6/91	9/91	12/91	3/92
Balance at Beginning of Period	$ 975	$ 943	$ 795	$ 982	$1,326
Provision for Losses	276	652	652	1,156	1,379
Losses Charged to Reserve	(345)	(800)	(465)	(896)	(976)
Recoveries	37	-	-	84	23
Balance at End of Period	$ 943	$ 795	$ 982	$1,326	$1,752

The $1,245,000, or 276.1%, increase in other real estate expenses (net of income and gain on sale) for the quarter ended March 31, 1992 as compared to the corresponding 1991 quarter was due primarily to the increase of $1,194,000, or 645.4%, in the provision for other real estate write-downs. Management replenished the reserve after annual appraisals, both externally and internally generated, showed the need for additional write-downs, which were recognized in the first quarter. Management continues to monitor the reserve to assure its adequacy.

FIRST CONTINENTAL BANCSHARES, INC.

PART II OTHER INFORMATION

Item 1. Legal Proceedings.

(a) Ocean Energy, Inc. and Power Well Service, Inc. versus First National Bank of Jefferson, et al. Trial is set for December 1, 1992.

(b) Eubanks versus First City Bank and First National Bank of Jefferson Parish. Oral arguments on the Eubanks' appeal were heard May 5, 1992; a decision is not expected for at least 90 days.

(c) George Lafferty versus First National Bank of Jefferson Parish. Trial has been set for September 14, 1992.

Item 2. Changes in Securities.

None.

Item 3. Defaults Upon Senior Securities.

Information regarding the Company's arrearage in the payment of dividends is included in Part I of this Quarterly Report on 10-Q under the heading "Management's Discussion and Analysis of the Consolidated Statements of Financial Condition and Earnings -- Financial Condition -- Regulatory Issues and Capital - General" and is incorporated herein by reference.

Information regarding the debt settlement and payment of warrant exercise deferral payments is included in Part I of this Quarterly Report on 10-Q under the heading "Management's Discussion and Analysis - Financial Condition - Liquidity and Capital Resources." (See also Form 10-K, December 1991, filed - March 26, 1992, Item 7: Management's Discussion and Analysis.)

Item 4. Submission of Matters to a Vote of Security Holders.

None.

Item 5. Other Information.

None.

Item 6. Exhibits and Reports on Form 8-K.

(a) Exhibits.

(2) Plan of acquisition, reorganization, arrangement, liquidation or succession -- Not applicable

(4) Instruments defining the rights of security holders including indentures -- Not applicable.

(11) Statement re computation of per share earnings -- Included in Part I, Page 4.

(15) Letter re unaudited interim financial information -- Not applicable.

(18) Letter re change in accounting principles -- Not applicable.

(19) Previously unfiled documents -- Not applicable.

(20) Report furnished to security holders -- Not applicable.

(23) Published report regarding matters submitted to vote of security holders -- Not applicable.

(24) Consents of experts and counsel -- Not applicable.

(25) Power of attorney -- Not applicable.

(b) Reports on Form 8-K.

None

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

FIRST CONTINENTAL BANCSHARES, INC.

May 14, 1992
Date

BY: _____
Elton A. Arceneaux, Jr.
President

May 14, 1992
Date

BY: _____
Edward J. Bourgeois
Treasurer